

Continuous Process Improvement (CPI)

April 2010



Personnel and Readiness



Purpose and Agenda

Purpose

- ▶ Provide an overview of Continuous Process Improvement (CPI) as an approach to problem solving and a component of strategic planning;
- ▶ Describe the integration of CPI within the Department of Defense (DoD); and
- ▶ Identify how Personnel and Readiness Information Management (P&R IM) can support CPI implementation in your organization



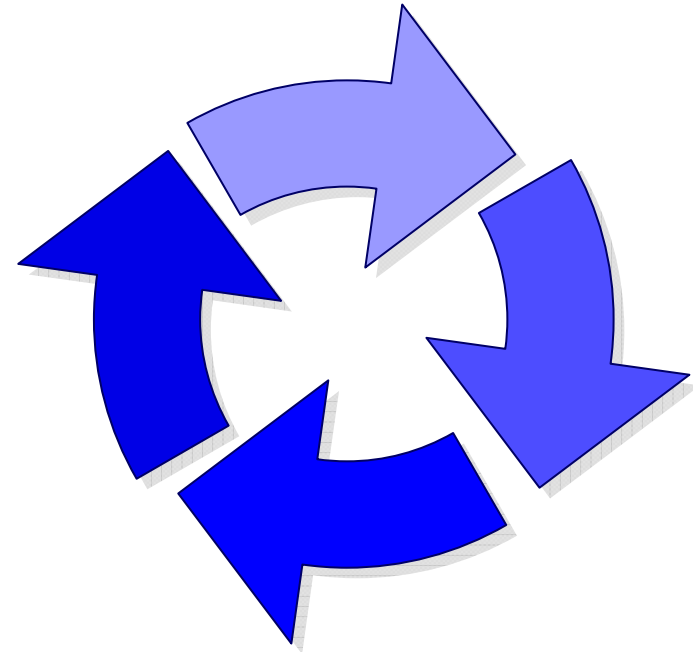
Agenda

- ▶ **CPI**
 - Definition
 - Strategy and CPI
 - Embedding CPI
- ▶ **CPI in DoD**
 - Background
 - Governance
 - Program Reporting
- ▶ **CPI in OUSD (P&R)**
 - Success Stories
 - Resources
 - How We Can Help



CPI: Definition

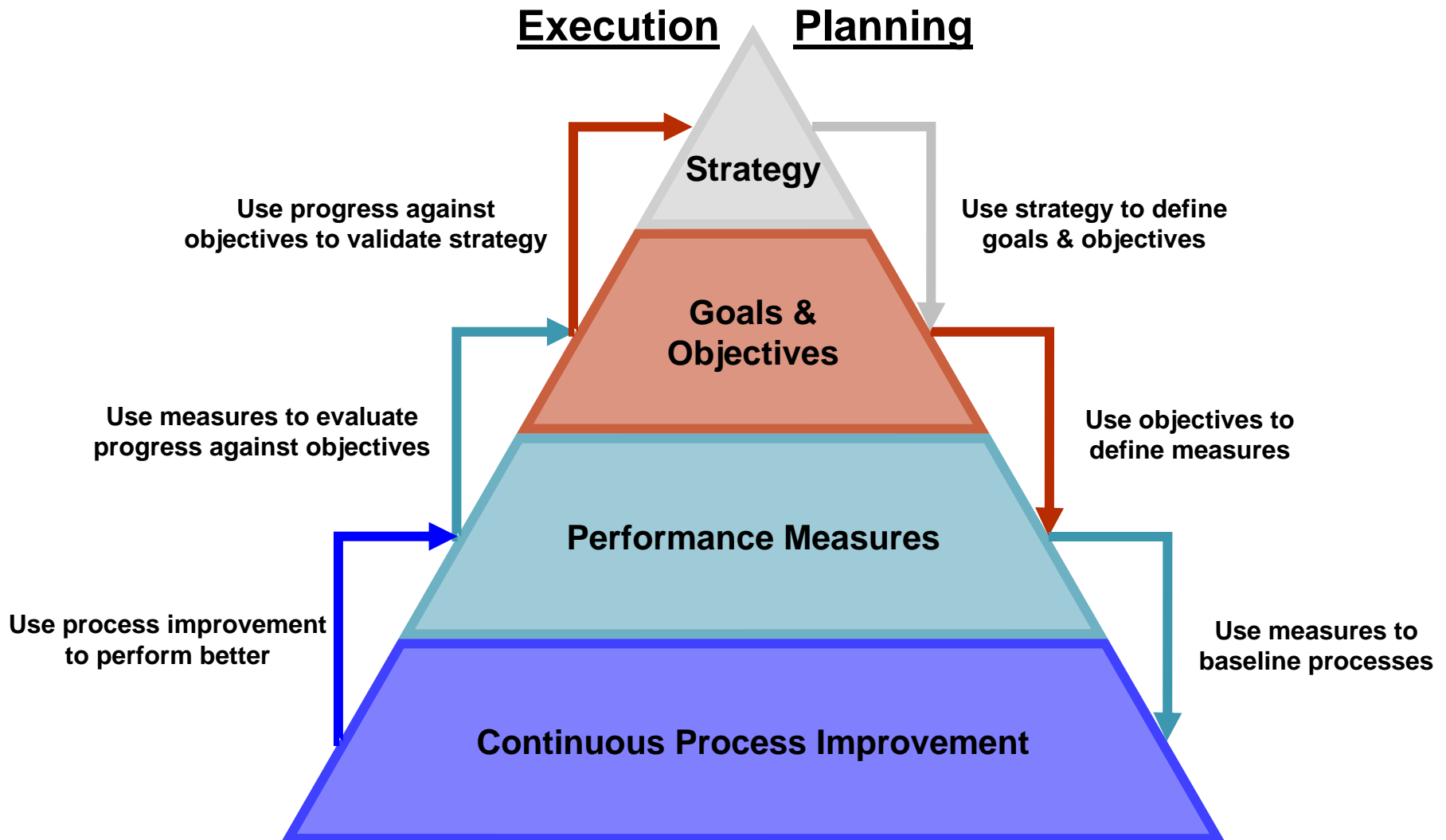
- ▶ CPI is a strategic approach for developing a culture of continuous improvement in the areas of:
 - Reliability
 - Reduced process cycle times
 - Reduced costs (i.e., lower resource consumption)
 - Improved productivity



CPI may be employed as a way to improve existing programs and can add significant value from the onset of new initiatives as an embedded practice



CPI: Strategy and CPI





CPI: Embedding CPI

- ▶ **Embed CPI methods into day-to-day operations by:**
 - Fostering an environment and culture within which employees are empowered to improve their business
 - Developing an ability to continually identify and evaluate improvement opportunities that will deliver positive outcomes
 - Developing an ability for planning and delivering quick improvements in alignment with longer term business change, while maintaining momentum for ongoing improvement

CPI is applied to improvement efforts ranging from near-term to long-term and its outcomes can be replicated in organizations across the DoD



CPI in DoD: Background

▶ DoDD 5010.42 – May 15, 2008

- Outlined general policy as to how CPI is to be applied within DoD in support of the Department's national defense mission
- Identified 5 key focus areas which CPI should aim to improve (Productivity, Performance against mission, Safety, Flexibility to meet DoD mission needs, Energy Efficiency)

Purpose:

To institutionalize CPI/LSS ... in support of the Department's national defense mission."

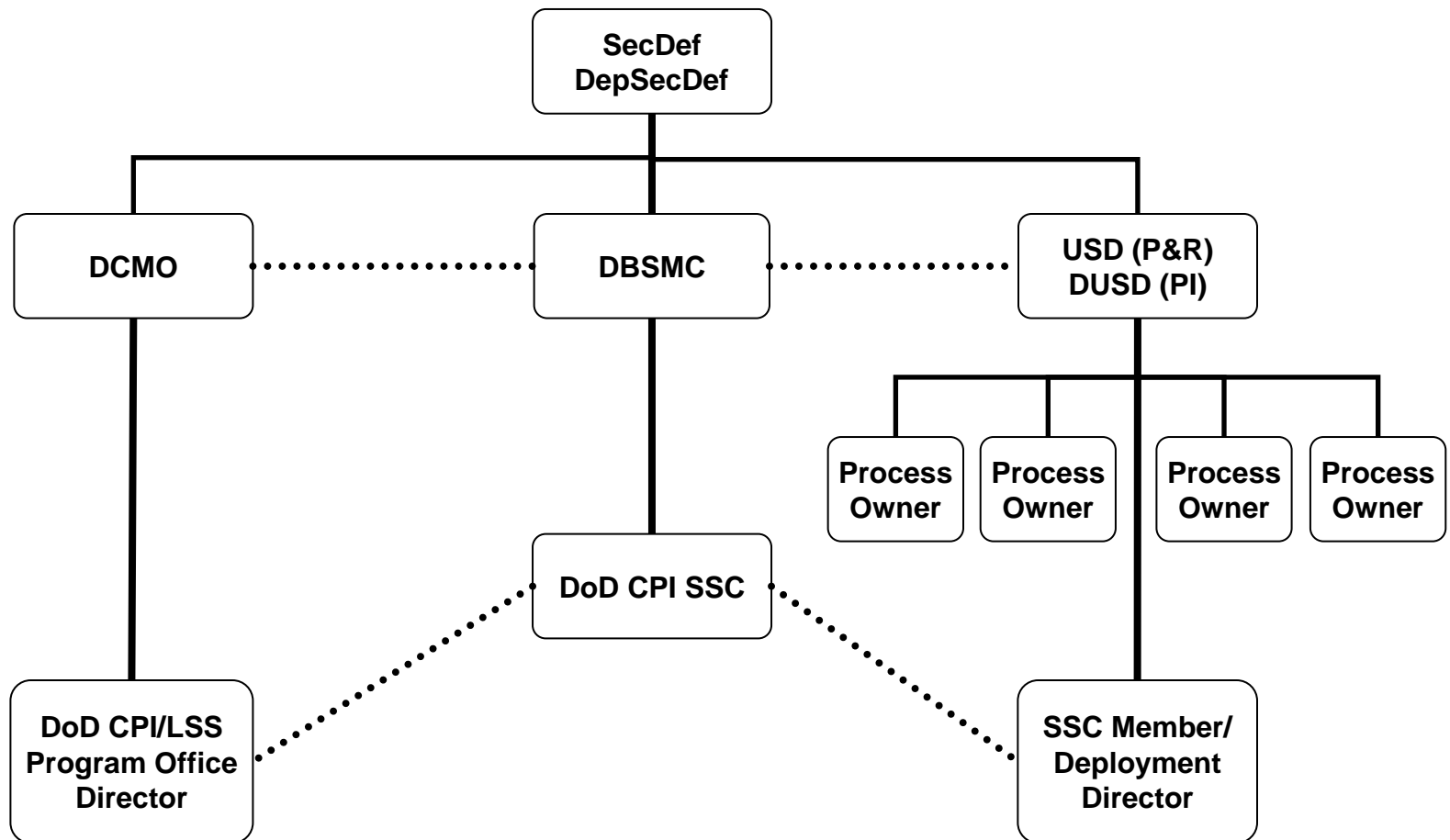
— **DoDD 5010.42**

▶ DoDI 5010.43 – July 17, 2009

- Defined the responsibilities of the DCMO, Director of the OSD CPI Program Office, Principal Staff Assistants and the Heads of the DoD Components relative to the advancement of CPI within DoD
- Provided guidance as to how CPI is to be institutionalized within DoD with specific focus on Strategic Alignment, Collaboration and Human Capital



CPI in DoD: Governance





CPI in DoD: Program Reporting

DoD Enterprise Performance Management System (DEPMS)

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Consolidation of Special and Incentive Pays [Where Am I?]

Summary

Project Lead: Rennie Vazquez
Parent: [USD Personnel and Readiness](#)

Phase 1: Baseline

Details

Team Members

Project Lead: Rennie Vazquez
Gate Approvers: Rennie Vazquez

Basic Info

Process: BPR Gated Process
Calendar: [Default Calendar](#)
Status Reports: [Unscheduled](#)

Requires Electronic Signature for Gate Approval:

Phase 1: Baseline	No
Phase 2: Blueprint	No
Phase 3: Implementation	No

Tags

- 01. Organization Category: [OSD Staff](#)
- 02. Lead Organization - Level 1: [USD Personnel and Readiness \(USD P&R\)](#)
- 03. Lead Organization - Level 2: [PDUSD \(P&R\)](#)
- 04. Lead Organization - Level 3: [DUSD \(MPP\)](#)

BPR Template

Problem/Opportunity Statement: The Defense Advisory Committee on Military Compensation and the Quadrennial Review of Military Compensation, in coordination with the Department of Defense, proposed consolidation of more than 60 diverse Special & Incentive (S&I) Pays.

Scope: "Three of the first five authorities are targeted to officers in the nuclear, aviation, and health professions. These pay categories reflect the significance of these occupations to the Department and the likely long-term need to provide wage differentials in these fields to compensate members who forego the higher earnings offered in the private sector."

DoD Enterprise Performance Management System (DEPMS)

- ▶ Provides enterprise level capabilities to manage DoD and component level CPI activities by providing functionality including:
 - Individual and Group Project Management
 - Tracking and Reporting of Organization and Component level Performance Measures and Key Goals
 - Comprehensive reporting on CPI projects



CPI in OUSD (P&R): Success Stories

Consolidation of Special and Incentive Pay Types

- ▶ **Problem:** 60+ distinct pay types constrained the management of compensation and rendered the pay system unwieldy and difficult to administer
- ▶ **Methodology Used:** Business Process Re-engineering (BPR)
- ▶ **Solution:** Consolidated 60+ pay types into eight aggregated pay types
- ▶ **Outcome:** Improved manageability of military pay system that reduced defects in compensating war fighters

Defense Personnel Records Information Retrieval System (DPRIS)

- ▶ **Problem:** Official Military Personnel File (OMPF) information was not electronically or easily accessible by outside Service agencies
- ▶ **Methodology Used:** Business Process Re-engineering (BPR)
- ▶ **Solution:** A single enterprise that provides secure access to vital military personnel information on demand and in near real-time
- ▶ **Outcome:** Practically instantaneous (within minutes) electronic access to the information needed for decisions regarding Service members' eligibility for benefits



CPI in OUSD (P&R): Resources

▶ OUSD (P&R) CPI Collaboration Forum

- Bi-monthly communications resource used to deliver important information related to the DoD and OUSD (P&R) CPI programs to all OUSD (P&R) organizations POCs and engage participants on issues that are important to the OUSD (P&R) CPI community

▶ OUSD (P&R) CPI “Road Show” Presentations

- CPI focused presentations that can be leveraged to help organizations and their leadership quickly gain an understanding of what CPI is and how it can be leveraged to improve business operations within the organization

▶ OUSD (P&R) CPI Mentoring

- CPI experts are available to assist OUSD (P&R) staff with critical CPI activities including project identification and selection, project execution and attainment of certification in CPI methodologies



CPI in OUSD (P&R): How We Can Help

P&R IM can assist your organization with:

▶ **Project Documentation**

- Helping capture all internal process and performance improvement activities in the DEPMS project tracking system
- Assisting to highlight exceptional efforts

▶ **CPI Integration**

- Identifying a variety of types of projects (IT, Policy, etc.) where CPI can be incorporated as a means define and explore all opportunities to improve business processes as part of the project

▶ **Strategic Planning**

- Leveraging CPI to identify activities and projects to help OUSD (P&R) organizations achieve the goals identified as part of the OUSD (P&R) Strategic Plan
- Prioritizing CPI efforts with the intent of dedicating resources to those with the most potential impact